

# **Ways to create a sustainable market for Solar Home Lighting Systems in the Rural Areas**

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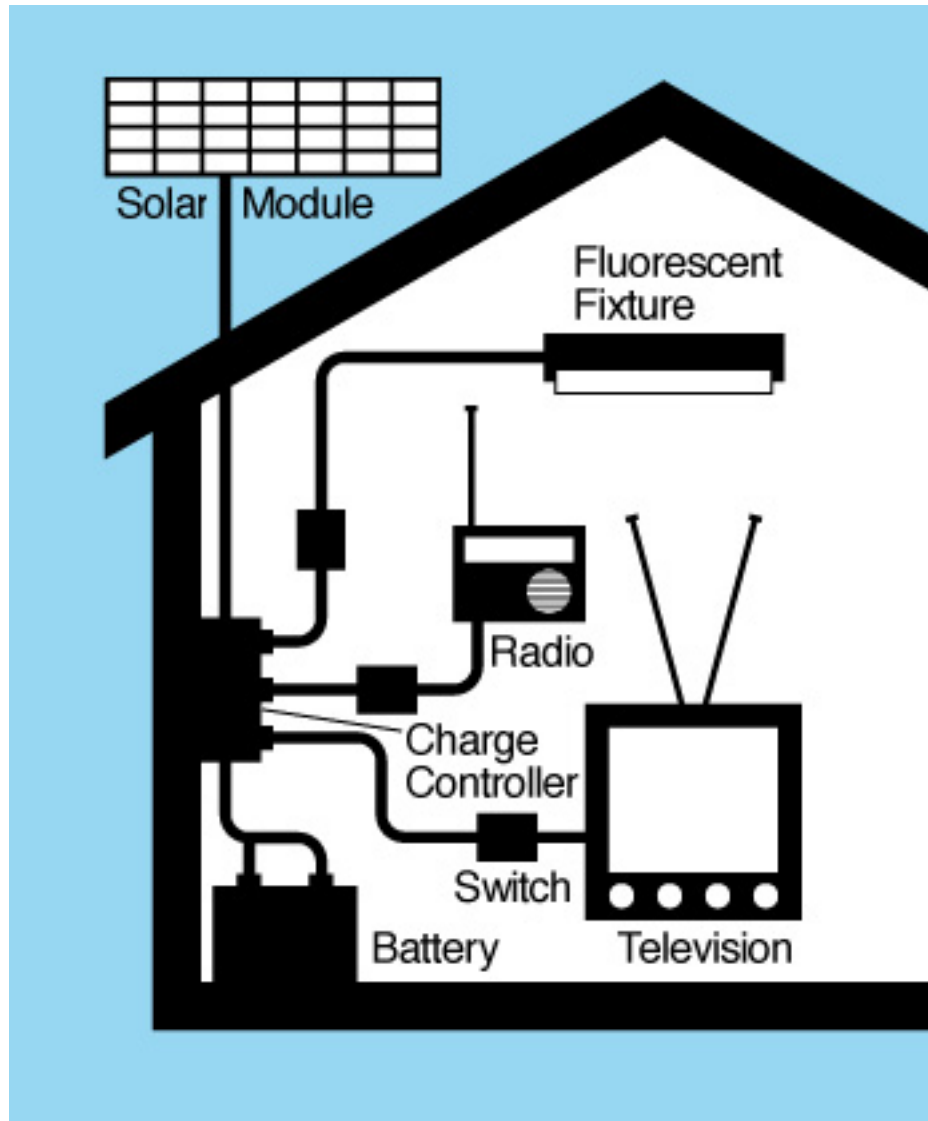


# THE SOLAR ELECTRICITY BUSINESS





# THE PRODUCT





# THE MARKET







# Barriers

**Financial**

**Social**

**Technical**

**Government**

**Subsidy**

# Barriers – Government Programs

## Installations

- No Serious after sales service network leading to..
  - Failures - leading to loss of faith in solar technology
- ☞ Mass Installations
  - Lead to procurement of inferior products
- ☞ No serious thoughts given to the ‘needs’ of the people
  - Thus leading to over-expectations – leading to failures

# Barriers – Government Subsidy

## Government Subsidy has led to

- Lack of ownership of the equipment
- Inferior products – because of the tendering process
- Kills the sustainability of the program

## Government Subsidy has led to

1. Too much of dependence of the market on the program
2. Too much of dependence of the private manufactures on the program
3. Lack of incentive for the rural entrepreneur to create a sustainable venture.



# **Solar Technology can succeed if....**

- **There is a presence of an excellent after sales service network.**
- **Creative and sustainable door-step financing.**

## **Subsidy can be diverted towards...**

- 1. Awareness creation.**
- 2. Training of entrepreneurs and technicians.**
- 3. Incentives or soft working capital loans for the rural entrepreneurs.**
- 4. Incentive to the rural financial institutions – soft refinance.**

**All the above will lead to the creation of a stable foundation for a sustainable solar pv market.**

# Opportunities

## Plenty.

- ☞ Rural.
  - ☞ Un-electrified households.
  - ☞ Electrified households with “brown outs.”
  - ☞ Rural shops and clinics.
- ☞ Urban.
  - ☞ “Brown out” households.

# Key

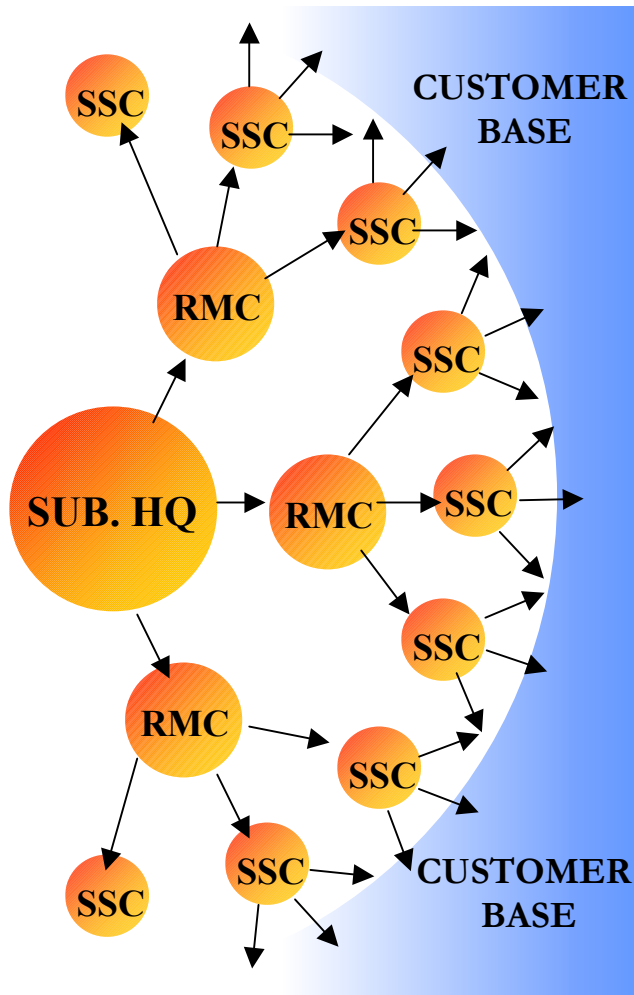
## Networking

- 1 . Localized after sales service network
- 2 . Localized sales network
- 3 . Localized marketing

## Financing

- › Banks
- › Rural Banks

# DISTRIBUTION CHANNEL



## Sales and Service Centers (SSC)

- ✿ SELCO services its market territories through sales and service outlets called Sales and Service Centers (SSC)
- ✿ SSCs are the point-of-presence with its end-customers, and serve as the base of local sales and service operations
- ✿ Sales and Service Centers contain a showroom for company products
- ✿ All SSC employ local staff, which operate according to standardized SSC operating procedures
- ✿ As the network grows, it will be managed through Regional Management Centers (RMCs)

# Key to Success – For a Technology like PV

- ✿ It has to be a rural based organization targeting the off-grid lighting and electricity market
- ✿ Create efficient door-step service
- ✿ Create a stable door-step financing





# THE BENEFITS OF SOLAR ENERGY

- Quality of life benefits
- Educational benefits
- Health benefits
- Economic Benefits
- Environmental Benefits
- Demographic Benefits



**ONE 35W SHS OFFSETS 0.3  
TONNES OF CO<sub>2</sub> A YEAR**





# THE PROBLEMS

- Access to consumer finance
- Government/multilateral support programmes
- Insincere retailers - low quality product/no service
- Operational difficulties

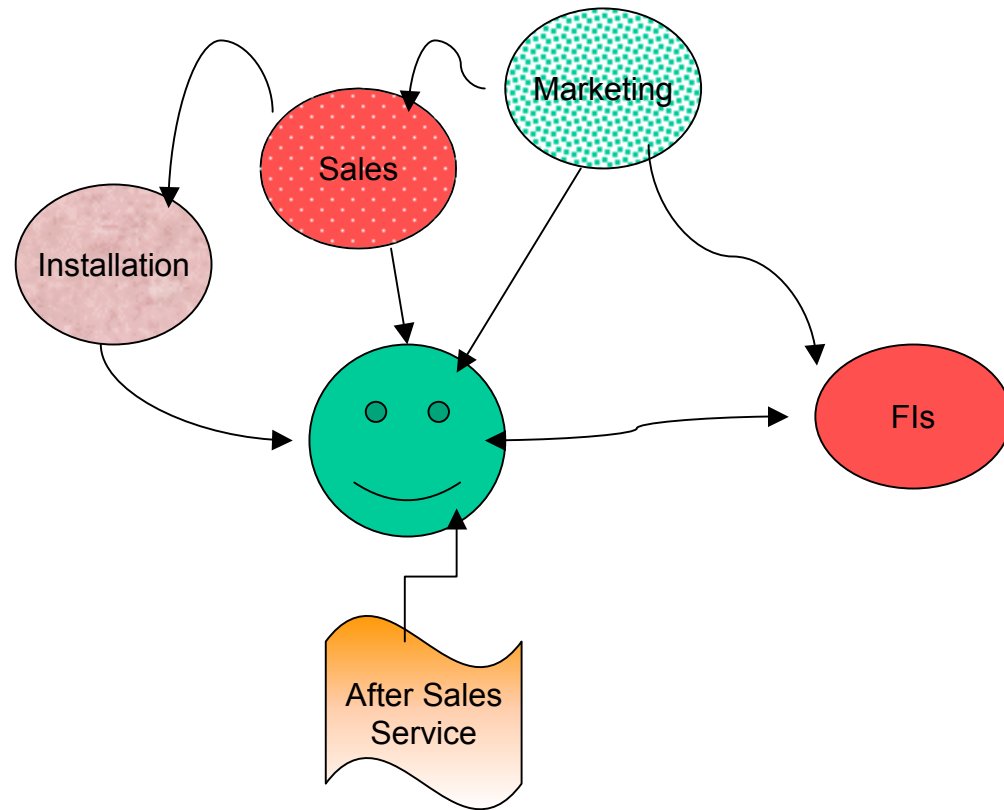




# THE WAY FORWARD

- Committed private sector/NGO participation
- Less government involvement
- Enlightened multilateral support programmes
- Role for donor programmes







# Thank You

